The Commission's San Francisco Bay Plan ("Bay Plan") contains policies on Bay resources, such as fish, other aquatic organisms and wildlife, and water quality; as well as policies on uses of the Bay and shoreline, including public access and fill for water-related development. The Commission further designates certain shoreline areas for uses that must be located on the waterfront, such as ports and other water-related industrial uses, to avoid potential filling of the Bay to accommodate water-related uses where the waterfront has been developed for uses not necessary to be at the water's edge. The Chevron Long Wharf Terminal, including the onshore storage tank area, is located within a water-related industry priority use area as shown on Bay Plan Map 4. The purpose at hand, to extend the lease with the State Lands Commission (CSLC) to allow the marine terminal to continue in operation for an additional 30 years, would therefore be a use consistent with the Bay Plan designation.

38-2

As stated in the DEIR, no major expansion of marine terminal operations or construction is expected to occur during the lease renewal period, and vessel activities will remain the same. However, the DEIR further states that during the 30-year period, modifications may be required at Berth 4 to accommodate double hull ships mandated for the future transport of oil. The DEIR explains that double hull tank vessels are larger than most oil tankers currently operating, and will require raising the height of the loading arms and gangway, dredging a wider berth, and upgrading the breasting dolphin at Berth 4. Such modifications would require a permit from the Commission, including the dredging at the berth. The Introduction of the DEIR incorrectly identifies the U.S. Army Corps of Engineers as the sole agency from which a permit for (maintenance) dredging and disposal would be required. In addition to Corps review, the Commission would need to review the proposal as well as the San Francisco Bay Regional Water Quality Control Board and U.S. Environmental Protection Agency. Widening Berth 4 would constitute new dredging and the project also would need to be submitted for group agency consideration through the Dredged Material Management Office.

38-3

The DEIR used models of various oil spill scenarios to assess potential environmental impacts that could result during the transfer of oil and petroleum products at the Long Wharf as well as during vessel transit. The potential for oil spilling into the environment, is, of course, of great concern to the Commission. A number of measures that would lower the risk of a spill are described in the DEIR and would be required to be put in place within 12 months of lease implementation. These measures include, but are not limited to, installing devices that would monitor the tension of mooring lines and also to allow quick release of the lines to enable a vessel to leave the wharf as quickly as possible in the event of an emergency that could lead to a spill. To directly protect sensitive resources in the event of a spill, the DEIR states that, among other requirements, Chevron will need to demonstrate that it can implement its Oil Spill Response Plan and can rapidly deploy 15,000 feet of booming needed to deflect oil from identified natural resources, as well as recreational uses and the built environment and access to such facilities, within the general vicinity of the wharf.

38-4

The above measures would be consistent with Bay Plan oil spill prevention policies, which reflect the intent of the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act. In the event of any installation on or modification to the wharf, on the shoreline, or in the Bay, Chevron should contact our Chief of Permits, Bob Batha, prior to initiating any such work to discuss the need for a permit. This could include development related to oil spill prevention or, in the event of a spill, emergency response actions as well as any longer-term restorative measures.